Scancell Holdings plc

REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS

for the year ended 30 April 2014

Scancell Holdings plc
COMPANY INFORMATION

DIRECTORS

Professor L Durrant
Dr M G W Frohn
Dr R M Goodfellow
Mr D E Evans
Ms K Cornish-Bowden
Dr SE Adams

SECRETARY

Laytons Secretarial Services

REGISTERED OFFICE

2 More London Riverside
London
SE1 2AP

PRINCIPAL PLACE OF BUSINESS

Department of Clinical Oncology
City Hospital
Hucknall Road
Nottingham
NG5 1PB

REGISTERED NUMBER

06564638 (England and Wales)

AUDITOR

Champion Accountants LLP
2nd Floor
Refuge House
33-37 Watergate Row
Chester
CH1 2LE

I am pleased to report on the Company's results for the year ended 30th April 2014.

In August 2013 the Company raised £6.1m (net proceeds) in additional investment through a placing and open offer of shares. These funds have enabled the Company to commence work on the pre-clinical development of the first Moditope® cancer immunotherapy product and provided working capital to complete the ongoing SCIB1 clinical trial in patients with melanoma using the higher 8mg dose.

Since the year-end, further results from the clinical trials of our SCIB1 vaccine have been published and as positive and consistent data continue to emerge from this study, our confidence grows that SCIB1 will play an important role in the management of melanoma. Furthermore, the latest animal data showing the powerful synergy between SCIB1 and checkpoint inhibition strongly supports the hypothesis that combining these two therapeutic approaches will be even more effective in the treatment of late stage disease than when either treatment is used alone.

Financial

Profit and Loss

The Group has made a loss for the year of £2,222,954 (2013: loss: £1,901,944).

The increase in development costs in the year reflects the additional costs incurred in commencement of pre-clinical studies on Moditope®.

The increase in administrative expenses is due to the additional patent costs arising in the year.

Balance Sheet

At the end of the year the Group cash balances amounted to £5,566,234 (2013: £1,491,320). This increase in cash is attributable to the placing and open offer earlier in the year.

The Group's net assets at 30th April 2014 amounted to £9,077,264 (2013: £5,092,145).

The ImmunoBody® Technology Platform

Scancell's mission is to develop novel therapeutics that fight cancer by spurring the body's immune system. This is a form of treatment that many cancer specialists believe may hold the key to keeping a patient permanently disease-free. Unlike traditional therapies that attack cancer directly, immunotherapy uses the body's own internal defences to ward off the disease, with the ultimate hope of building up long-term resistance to the cancer.

Scancell's ImmunoBody® vaccines generate potent killer T-cells that target and eliminate tumours. Each ImmunoBody® vaccine can be designed to target a particular cancer in a highly specific manner, offering the potential for enhanced efficacy and safety compared with more conventional approaches.

SCIB1 melanoma vaccine

At the American Society of Clinical Oncology (ASCO) Annual Meeting in June 2014, Scancell announced further encouraging results from its on-going Phase 1/2 clinical trial in patients with Stage III/IV melanoma treated with the SCIB1 ImmunoBody®. The Phase 1/2 trial is an open label, non-randomised study to determine the safety and tolerability of four dose levels (0.4mg, 2mg, 4mg and 8mg) of SCIB1 administered intramuscularly using the Ichor TriGrid™ electroporation device. Whilst the primary objective of the study is to assess safety and tolerability, the secondary objectives are to evaluate cellular immune responses and to assess any tumour response.

This interim analysis showed that 24 of 28 (86%) of patients developed melanoma-specific immune responses and that the treatment was very well tolerated with no grade 4/5 toxicities observed.

Of particular note was the reduction in the number and size of multiple lung metastases in two patients (one at the 4mg and one at the 8mg dose).

Although this was an open study, the patient survival times were unexpected and highly encouraging. Since the trial commenced in 2010, only two of the 25 patients receiving at least three doses of 2-8mg of SCIB1 had died during the course of the study. Part 1 patients receiving 2mg/4mg doses of SCIB1 had 1-year and 2-year survival rates of 100% and 67%, respectively; none of the five patients receiving 8mg doses of SCIB1 had died.

In Part 2, all 14 patients (with resected tumours) were still alive 16-24 months after study entry (median 21 months) and only three patients had disease progression.

The Company is continuing to recruit additional patients into the extended 8mg dose cohort.

Six patients are currently on long-term treatment with SCIB1.

Whilst this is a Phase 1/2 clinical study and patient numbers are relatively small, there is consistent evidence emerging from this trial that Scancell's SCIB1 ImmunoBody® therapy can produce a reduction in tumour load as well as inducing a powerful immune response in late-stage melanoma patients. When taken together with the apparent delay in disease progression and increasingly extended survival data, these results are highly encouraging and clearly warrant the continued development of SCIB1 ImmunoBody® as an important new therapeutic approach for the treatment of this disease.

SCIB2 vaccine

Our SCIB2 ImmunoBody® vaccine targets tumours expressing the NY-ESO-1 antigen. NY-ESO-1 is expressed by 18% of non-small cell lung cancer patients and by 39% of prostate and 35% of bladder cancer patients. Pre-clinical data is available to support the clinical development of SCIB2 either alone or in combination with a checkpoint inhibitor.

ImmunoBody® Patents awarded

In December 2013, a patent for Scancell's DNA ImmunoBody® platform technology was granted in Japan. Following year-end, a further patent covering the DNA ImmunoBody® platform technology was also granted in the United States. These follow the grant of counterparts in Australia and China.

The patents add to Scancell's growing body of intellectual property for its ImmunoBody® platform and are key to the protection of the Company's pipeline of ImmunoBody® vaccines

The Moditope® Technology Platform

Last year, the Company announced the development of a new platform technology, Moditope®, which stimulates the production of killer CD4 T-cells with powerful anti-tumour activity without toxicity. CD4 responses to cancer associated antigens have been notoriously difficult to generate whether presented as peptides, proteins or DNA, yet are vital for effective anti-tumour immunity. Scancell has identified a series of modified epitopes that overcome this limitation**.**

The discovery of the highly innovative Moditope® platform opens up a new approach to the development of cancer immunotherapy treatments. Whilst currently at an early stage, we believe that the potential of this novel immunotherapy platform could be considerable. Some the best targets for Moditope® are thought to be the cytoskeletal proteins; one such protein is vimentin, which is the major cytoskeletal protein found in mesenchymal cells. We will identify a lead product (Modi-1) directed against this protein target and any cancer overexpressing vimentin could be of potential therapeutic interest including lung, breast, ovarian and endometrial cancers.

Moditope® Patent published

In February 2014, the Company announced the publication of the patent application underpinning the Company's Moditope® platform. The patent application describes how the Moditope® immunotherapy platform harnesses CD4 positive T-cells to eradicate tumours and overcome self-tolerance, with no requirement for checkpoint blockade. When granted, this patent will protect the platform to at least 2033.

Share Capital – Placing and Open Offer

On 1st August 2013, the shareholders of the Company approved resolutions for; (i) the placing of 20,000,000 ordinary 0.1p shares at a price of 22.5p and (ii) an open offer to qualifying shareholders, who had not taken part in the placing, to subscribe for 8,888,888 ordinary 0.1p shares at a price of 22.5p. Following the approval of these resolutions the Company raised £6.1m, net of costs.

Ichor

Scancell signed an agreement with Ichor in July 2009 for the supply and use of the TriGrid™ device for Scancell's pre-clinical and clinical studies with SCIB1 and gives Scancell an option ('The Option') to licence TriGrid™ for commercial use on payment of certain undisclosed milestones and royalties. The Option could be exercised at any time up to July 2014. In return, Ichor was granted share options to subscribe for Scancell shares at a subscription price of 4.5p as follows: on regulatory approval to start clinical trials in the UK, 1,592,310 share options ('Tranche 1'); on starting the first Phase II clinical trial, 3,184,620 share options ('Tranche 2'); and on completing the first Phase II clinical trial, 3,184,620 share options ('Tranche 3'). Tranches 1 and 2 have already vested.

During the year, Scancell announced that it had been granted an extension of its Option to commercialise Ichor's proprietary TriGrid™ electroporation delivery system with SCIB1. Under the terms of the extension, Scancell's Option, which had been due to expire in July 2014, will be extended until July 2016. In exchange, Scancell agreed in November 2013 to waive the two year lock in period following the exercise of Tranche 1 share options (over 1,592,310 shares) that Ichor exercised.

Regulatory

In February 2014, the United States Food and Drug Administration ('FDA') granted orphan drug designation to Scancell's SCIB1 ImmunoBody® for the treatment of metastatic melanoma. Orphan drug status in the United States qualifies the development of SCIB1 for a 50% tax credit for clinical trials, a waiver of the prescription drug user fee for the drug approval procedure and a period of seven years of market exclusivity following drug approval by the FDA. During the orphan market exclusivity period, the FDA cannot approve a NDA (new drug application) or a generic drug application for the same product including the principal molecular structure features of the drug and for the same rare disease indication. This status together with our patent portfolio provides further protection for SCIB1 in our key US market.

Board of Directors

Mr Peter Allen stepped down as a Non-Executive Director on 9th May, 2014 and the Board would like to thank Peter for his work during his time on the Board. I am pleased to announce the appointment of Dr Sally Adams to the Board as Development Director from 1st May, 2014. Sally has already been working closely with the Scancell team for several years and will play an important role in the development of our ImmunoBody® and Moditope® platforms.

Staff

The Board recognises that the progress made over the year would not have been possible without the dedication and determination of all our staff and, on behalf of the Directors I offer our warmest thanks to them.

Outlook

Whilst recognising the relatively early stage of the SCIB1 clinical trial, the most recent results announced at ASCO in June 2014 confirm the strength and frequency of immune response in late stage melanoma patients. The destruction of lung metastases and the apparent prolongation of survival further adds to the evidence that SCIB1 has the potential to extend lives without the burden of serious side effects. The rationale for combining SCIB1 and PD-1 blockade, confirmed in recent animal studies, is also compelling.

Our ongoing Moditope® research continues to be productive as we continue to prepare Modi-1, our lead vaccine from this platform, for clinical trials which are on schedule to start in 2016.

Cancer immunotherapy has recently become one of the most exciting areas of pharmaceutical research and development. Scancell now has two innovative technology platforms in this emerging field, both of which are expected to be of substantial interest to the increasing number of pharmaceutical companies establishing R&D programmes in the area. The Board remains dedicated to realising value for our shareholders as we continue to build upon the excellent data garnered to date.

David Evans
Chairman

3rd September, 2014

PRINCIPAL ACTIVITY

The principal activity of the Group in the year under review was that of the discovery and development of novel vaccines for the treatment of cancer.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

A detailed review of the business and likely future developments is included in the Chairman's statement on page 2.

The results of the Group for the year are set out in the profit or loss and other comprehensive income statement on page 11.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board meets regularly to review the operations of the business and discuss risk areas.

A system of internal controls has been established and the Board ensures that management keeps these processes under regular review and improves them where appropriate. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

Given the nature of the business there is a technical risk that the underlying scientific assumptions and hypotheses that underpin both the Immunobody® and Moditope® platforms are unable to be further validated in human clinical trials. In order to mitigate this risk the Group employs external consultants and advisers to review these underlying assumptions and the results from clinical trials. The Board considers these assessments and internal documentation on a regular basis and where necessary will amend or adjust the Group's strategy.

There is also a funding risk, whereby the Group may not have sufficient funds to complete the clinical trials. The Board reviews the time-lines for completing projects in conjunction with cashflow projections to ensure that the Group will have necessary cash resources available.

Key performance indicators:
Due to the nature of the business, the key performance indicator used by the Company is the monitoring of income and expenditure against approved budgets.

By approval of the Board on 3rd September, 2014

David Evans
Chairman

The directors submit their report and financial statements of Scancell Holdings plc for the year ended 30 April 2014.

RESULTS AND DIVIDENDS

The Group's results for the year ended 30 April 2014 are shown in the consolidated profit or loss and other comprehensive income statement on page 11. No dividends will be distributed for the year.

FUTURE DEVELOPMENTS AND RESEARCH AND DEVELOPMENTS

A detailed review is included in the Chairman's statement on page 2

DIRECTORS AND THEIR INTERESTS

The present members of the Board, who have served throughout the financial year are detailed below. Their interests in the shares of the Group at 30th April 2014 and 2013 are set out below

	30th April 2014		30th April 2013	
	Owned	Jointly owned	Owned	Jointly owned
Prof L G Durrant	1,606,960	8,773,960	1,606,960	8,873,960
Dr M G W Frohn	Nil	Nil	Nil	Nil
Dr R M Goodfellow	200,000	6,343,840	200,000	6,443,840
Mr D E Evans	5,130,000	Nil	5,100,000	Nil
Ms K Cornish-Bowden	45,000	Nil	Nil	Nil
Mr PV Allen (resigned 9th May 2014)	50,000	Nil	Nil	Nil

The Chairman of the Company, Mr D E Evans has been granted 3,040,000 options in Scancell Holdings plc exercisable at 6 pence per share. These options vest and become capable of exercise on the sale of shares in the company according to the following schedule:

Net exit value of sale	Number of shares over which option granted
Between £5m and £15m	760,000
Between £15m and £25m	1,520,000
Over £25m	3,040,000

Professor Lindy Durrant and Dr Richard Goodfellow have been granted 3,850,000 and 2,880,000 options, respectively in Scancell Holdings plc, exercisable at 4.5 pence per share. These options vest and become capable of exercise on the sale of the company for a value in excess of £25m. In addition Professor Durrant and Dr Goodfellow have each been granted 3,500,000 exercisable at 33.2p. The Options, which will vest over a period of three years in three equal tranches, are subject to the achievement of performance criteria including scientific and commercial milestones as specified by the Remuneration Committee.

SUBSTANTIAL SHAREHOLDINGS

The directors have been notified, or are aware of, the following interests in 3% or more of the ordinary share capital of the company (excluding directors) at 29th August, 2014

	Ordinary shares at 0.1p each	
	Number	Percentage
Reyker Nominees Limited	37,452,077	16.65%
Share Nominees Limited	16,576,368	7.37%
Barclayshare Nominees Limited	12,834,612	5.71%
Lynchwood Nominees Limited	12,653,015	5.62%
Huntress (CI) Nominees Limited	11,988,345	5.33%
J G Helfenstein	7,000,000	3.11%

STRUCTURE OF THE COMPANY'S CAPITAL

The Company's share capital is traded on the AIM market and comprises a single class of ordinary shares of 0.1 pence each, each carrying one voting right and all ranking equally with each other. At 30 April 2014 224,950,683 shares were allotted and fully paid. Details of movements in the Company's share capital during the period are shown in Note 15 to the financial statements. Details of employee share option schemes are set out in Note 16 to the financial statements. Participants in employee share schemes have no voting or other rights in respect of the shares subject to their awards until the options are exercised, at which time the shares rank pari passu in all respects with shares already in issue.

DIRECTORS' INDEMNITY

The directors and officers of the Company are insured against any claims arising against them for any wrongful act in their capacity as a director, officer or employee of the Company, subject to the terms and conditions of the policy.

CORPORATE GOVERNANCE

The directors acknowledge the importance of the principles set out in the Combined Code issued by the Committee on Corporate Governance (the "Combined Code"). Although the Combined Code is not compulsory for AIM quoted companies, the directors have applied the principles as far as practicable and appropriate for a relatively small public company as follows:

Your Board comprises a non-executive Chairman, three executive directors and two further non executive directors. Your Board meets regularly to consider strategy, performance, approval of major capital projects and the framework of internal controls. In addition the executive directors meet on a monthly basis for operational meetings. To enable the Board to discharge its duties, all directors receive appropriate and timely information. Briefing papers are distributed to all directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. In addition, procedures are in place to enable the directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. Subject to the terms of the executive directors' service contracts, directors are subject to retirement by rotation and re-election by the Shareholders at Annual General Meetings on a three-year cycle, as required by the Articles of Association and any director appointed by the Board shall hold office only until the next Annual General Meeting and shall then be eligible for election.

The directors have established Audit and Remuneration Committees.. All non- executive directors are members of the Audit and Remuneration Committees.

The Audit Committee has Matthew Frohn as Chairman, and has primary responsibility for monitoring the quality of internal controls ensuring that the financial performance of the Company is properly measured and reported on and reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Audit Committee meets at least twice a year.

The Remuneration Committee has Kate Cornish-Bowden as Chairman, and will review the performance of the executive directors and determine their terms and conditions of service, including their remuneration and the grant of options, having due regard to the interests of Shareholders. The Remuneration Committee meets not less than once every year.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

UK Company law requires the directors to prepare Group and Company Financial Statements for each financial year. Under that law the directors are required to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and have also prepared the company financial statements in accordance with International Financial Reporting Standards ("IFRS").

The group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The company financial statements are required by law to give a true and fair view of the state of affairs of the company.

In the company financial statements, the directors are required to:

a select suitable accounting policies and then apply them consistently;
b make judgements and estimates that are reasonable and prudent;
c for the company financial statements, state whether they have been prepared in accordance with IFRSs adopted by the EU;
d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

The auditors Champion Accountants LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

By approval of the Board on 3rd September 2014

David Evans
Chairman

Independent Auditor's Report to the Shareholders of Scancell Holdings PLC

We have audited the financial statements of Scancell Holdings PLC for the year ended 30 April 2014 which comprise the Consolidated Profit or Loss and Other Comprehensive Income Statement, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the FRC's website at :
www.frc.org.uk/apb/scope/private.cfm

Opinion
In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2014, and of the group's and the parent company's loss for the year then ended;
- the financial statements have been prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Hopwood BSc(Hons) FCA
Senior Statutory Auditor, for and on behalf of
Champion Accountants LLP
Statutory Auditor
2nd Floor, Refuge House
33-37 Watergate Row,
Chester CH1 2LE

Date : 3rd September 2014

Scancell Holdings plc

CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT
for the year ended 30 April 2014

	Notes	2014 £	2013 £
Development expenses		(1,677,115)	(1,452,317)
Administrative expenses		(820,105)	(731,672)
OPERATING LOSS	3	(2,497,220)	(2,183,989)
Interest receivable and similar income		29,186	30,037
LOSS BEFORE TAXATION		(2,468,034)	(2,153,952)
Taxation	4	245,080	252,008
LOSS FOR THE YEAR		(2,222,954)	(1,901,944)
Attributable to:			
Equity holders of the parent company		(2,222,954)	(1,901,944)
EARNINGS PER ORDINARY SHARE (pence)	5		
Continuing			
Basic		(1.03p)	(0.98p)
Diluted		(1.03p)	(0.98p)

Scancell Holdings plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30th April 2014

	Share capital £	Share Premium Account £	Share Option Reserve £	Retained earnings £	Total Equity £
At 1st May 2012	194,470	9,904,733	487,162	(3,615,028)	6,971,337
(Loss) for the year	-	-	-	(1,901,944)	(1,901,944)
Share option costs	-	-	22,752		22,752
At 30th April 2013	194,470	9,904,733	509,914	(5,516,972)	5,092,145
At 1st May 2013	194,470	9,904,733	509,914	(5,516,972)	5,092,145
(Loss) for the year	-	-	-	(2,222,954)	(2,222,954)
Exercise of options	1,592	70,062	(33,605)	33,605	71,654
Share issue	28,889	6,061,481			6,090,370
Share option costs			46,049		46,049
At 30th April 2014	224,951	16,036,276	522,358	(7,706,321)	9,077,264

Scancell Holdings plc
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 April 2014

	Notes	2014 £	2013 £
ASSETS			
Non-current assets			
Plant and machinery	9	115,621	131,655
Goodwill	10	3,415,120	3,415,120
		3,530,741	3,546,775
Current assets			
Trade and other receivables	12	146,514	117,164
Tax receivables		371,366	252,000
Cash and cash equivalents		5,566,234	1,491,320
		6,084,114	1,860,484
TOTAL ASSETS		9,614,855	5,407,259
LIABILITIES			
Current Liabilities			
Trade and other payables	13	(537,591)	(315,114)
TOTAL LIABILITIES		(537,591)	(315,114)
NET ASSETS		9,077,264	5,092,145
SHAREHOLDERS' EQUITY			
Called up share capital	14	224,951	194,470
Share premium	15	16,036,276	9,904,733
Share option reserve	15	522,358	509,914
Profit and loss account	15	(7,706,321)	(5,516,972)
TOTAL SHAREHOLDERS' EQUITY		9,077,264	5,092,145

These financial statements were approved by the directors and authorised for issue on 3rd September, 2014 and are signed on their behalf by:

David Evans
Director

Scancell Holdings plc

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 April 2014

	Notes	2014 £	2013 £
Operating activities			
Cash generated from operations	19	(2,219,082)	(2,072,557)
Income taxes received		125,715	74,226
Net cash from operating activities		**(2,093,367)**	**(1,998,331)**
Investing activities			
Asset acquisition		(22,930)	(69,393)
Grant monies		5,557	-
Loan repayment		6,236	
Finance income		17,393	30,037
Net cash used by investing activities		**6,256**	**(39,356)**
Financing activities			
Proceeds from issue of share capital		6,571,654	-
Expenses of share issue		(409,629)	-
Net cash generated from financing activities		6,162,025	-
Net increase in cash and cash equivalents		**4,074,914**	**(2,037,687)**
Cash and cash equivalents at beginning of the year		**1,491,320**	**3,529,007**
Cash and cash equivalents at end of the year		**5,566,234**	**1,491,320**

1 ACCOUNTING POLICIES

Basis of Preparation
These financial statements were approved by the board of directors on 2nd September, 2014

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

New standards and interpretation
At the date of authorisation of these financial statements a number of new Standards and Interpretations have been issued but are not yet effective and have not been applied in these financial statements.

The directors do not believe that the adoption of these Standards and Interpretations would have a material impact on the financial statements of the Group.The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group when the relevant standards and interpretations come into effect.

Key sources of estimation and uncertainty
The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements such as intangible assets. Although these estimates are based upon management's best knowledge of the amount event or actions, actual results may ultimately differ from those estimates. In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

Identification and valuation of intangible assets on acquisition
The directors use their judgement to identify the separate intangible assets and then determine a fair value for each based upon the consideration paid, the nature of the asset, industry statistics, future potential and other relevant factors. These fair values will be reviewed for indications of impairment annually.

Segmental analysis
The Group's principal activity consists of the discovery and development of novel monoclonal antibodies and vaccines for the treatment of cancer. The directors believe that these activities comprise one operational segment and consequently segmental analysis by business segment is not considered necessary.

Share-based payments
In calculating the fair value of equity-settled share-based payments using the Black-Scholes option pricing model, the directors are required to exercise their judgement in determining input parameters which may have amaterial effect on the fair value calculated.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

BUSINESS COMBINATIONS
The financial statements incorporate the financial statements of the Company and its subsidiary. Unrealised gains on transactions between the Group and its subsidiary are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group since date of transition. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Any costs related to the acquisition are expensed in the period in which they are incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of assets and liabilities is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired the difference is recognised directly in the consolidated profit or loss and other comprehensive income statement.

Subsidiary:
Subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly (but normally through voting rights granted through the Company's shareholdings), to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements.

Acquisitions:
On acquisition, the assets and liabilities of a subsidiary, including identifiable intangible assets, are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is reviewed for impairment annually and any impairment is recognised immediately in the consolidated profit or loss and other comprehensive income statement. Impairment is determined by comparing the recoverable amount of goodwill with its carrying value. For goodwill, the carrying value is compared to the market capitalisation of Scancell Holdings plc, as quoted on AIM at the year end. The recoverable amount is the greater of an asset's value in use or its fair value less costs to sell. Where the recoverable amount is less than the carrying value, the asset is considered impaired and is written down through the consolidated profit or loss and other comprehensive income statement to its recoverable amount.
The Directors have carried out an impairment review of goodwill carried forward at the balance sheet date and do not believe that an adjustment for impairment is necessary.

The results and cash flows relating to the business are included in the consolidated accounts from the date of combination.

REVENUE
Revenue is measured at the fair value of the consideration received or receivable and net of discounts and sales related taxes.

TANGIBLE FIXED ASSETS
Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	- 25% on reducing balance
Computer Equipment	- 33% on reducing balance

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS
At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is immediately recognised as an expense, in the consolidated profit or loss and other comprehensive income statement. The recoverable amount is the greater of an asset's value in use or its fair value less costs to sell. Where the recoverable amount is less than the carrying value, the asset is considered impaired and is written down through the consolidated profit or loss and other comprehensive income statement to its recoverable amount less costs to sell.

TAXATION
Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences identified at the balance sheet date, except to the extent that the deferred tax arises from the initial recognition of goodwill (if amortisation of goodwill is not deductible for tax purposes) or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit and loss. Temporary differences are differences between the carrying amount of the Group's assets and liabilities and their tax base.

Deferred tax liabilities may be offset against deferred tax assets within the same taxable entity. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxation profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary differences can be utilised.

Deferred tax is provided on temporary differences arising in the subsidiary company except where the timing of reversal of the temporary differences will not reverse in the foreseeable future. Deferred tax is measured at the average tax rates that are expected to apply in the period in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Measurement of deferred tax liabilities and assets reflects the tax consequences expected to fall from the manner in which the asset or liability is recovered or settled.

INVESTMENTS
Investments in subsidiaries are stated at cost less any provisions for impairment. An impairment is recognised when the recoverable amount of the investment is less than the carrying amount.

RESEARCH AND DEVELOPMENT
Expenditure on research and development is written off in the year in which it is incurred.

An internally generated asset arising from the group’s development activities is only recognised if all of the following criteria are met:
- technical feasibility of completing the intangible asset so that it will be available for sale
- intention to complete the intangible asset and use or sell it
- ability to use or sell the intangible asset
- the intangible asset will generate future economic benefit
- resources are available both technically and financially in order to complete the development.

In the case of development projects undertaken by the group, regulatory and other uncertainties generally mean that such criteria are not met. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

HIRE PURCHASE AND LEASING COMMITMENTS
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

FOREIGN CURRENCIES
Foreign currency assets and liabilities are converted to sterling at the rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are converted to sterling at the rates of exchange ruling at the transaction date. All of the resulting exchange differences are recognised in the profit and loss account as they arise.

CASH
Cash includes cash-in-hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within current liabilities on the balance sheet.

EQUITY
Equity comprises the following:
- Share capital represents the nominal value of equity shares.
- Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- Retained earnings include all current and prior period results as disclosed in the consolidated profit or loss and other comprehensive income statement.
- Share-based payment reserve is the corresponding entry to the expense arising from equity-settled share-based payments.

SHARE BASED PAYMENTS
In accordance with IFRS2 – ‘Share based payments’, a charge is made for all share –based payments including share options based upon the fair value of the instrument issued.
Under IFRS 2 the charge in the Profit and Loss Account for granted share options is based upon the fair value of the options at grant date and is charges over the expected vesting period. Estimates of leaver rates

are taken into account over the vesting period. A charge has been recognised for all awards granted and is charged to the same expense category as the remuneration costs for the employee to whom the share award has been made. An equivalent amount is credited to the share option reserve in the balance sheet, with no resulting impact on net assets. The share options have been granted to directors and employees in the subsidiary company, Scancell Limited. Within Scancell Holdings plc, the parent company, a credit has been made to the share option reserve whilst the debit is treated as an increase in the value of the subsidiary company..

2 SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns which are different from those of segments operating in other economic environments.

The directors consider that the group operated within a single business segment.

3 OPERATING LOSS

	2014 £	2013 £
Operating Loss is stated after charging/(crediting):		
Depreciation on tangible fixed assets	38,962	44,006
Operating lease rentals	14,056	14,056
Research and development	1,677,115	1,452,317
Auditors' remuneration – fee payable for audit of the company	6,900	6,500
Auditors' remuneration – fee payable for audit of the subsidiary company	6,900	6,500
Auditors' remuneration for non-audit services	1,200	1,350
Directors' remuneration	95,417	63,168

4 TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2014	2013
Current tax	£	£
UK corporation tax credits due on R&D expenditure	245,652	252,000
Adjustment to prior year	(572)	8
	245,080	252,008

Factors affecting the tax charge
The tax assessed for the years is lower than the applicable rate of corporation tax in the UK. The difference is explained below:

	2014	2013
	£	£
Loss on ordinary activities before tax	(2,468,034)	(2,153,952)
Loss on ordinary activities multiplied by the small company rate of tax in the UK (20%)	(493,607)	(430,790)
Effects of:		
Disallowed expenditure	11,853	4,600
Timing differences	6,135	(2,464)
Enhanced tax relief on R&D expenditure	(248,466)	(254,731)
Reduced tax relief for losses surrendered for R&D tax credits	200,988	206,517
Prior year over provision	572	(8)
Unrelieved losses carried forward	277,445	224,868
Current tax charge/(credit)	(245,080)	(252,008)

The Group has tax losses to carry forward against future profits of approximately £8,134,000 (2013: £6,744,000)

A deferred tax asset has not been recognised in respect of these losses as the Group does not anticipate sufficient taxable profits to arise in the foreseeable future to fully utilise them.

The estimated value of the deferred tax asset not recognised measured at a standard rate of 20% is £1,597,000 (2013: £1,312,000)

5 EARNINGS PER SHARE

Basic earnings per share
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	2014	2013
	£	£
Earnings used in the calculation of basic earnings per share	(2,222,954)	(1,901,944)
Profit for the year from discontinued operations included in the calculation of basic earnings per share	-	-
Earnings used in calculation of basic earnings per share from continuing operations	(2,222,954)	(1,901,944)
Weighted average number of ordinary shares of 0.1p each for the calculation of basic earnings per share	216,700,004	194,469,485

Diluted earnings per share

As the Group is reporting a loss from continuing operations for both years then, in accordance with IAS33, the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

6 STAFF COSTS

	2014	2013
	£	£
Directors' salaries	56,667	22,917
Wages and salaries	267,531	232,819
Social security costs	33,541	23,643
	357,739	279,379

A charge for share based payments totalling £46,049 (2013: £22,752) was made in the year.

	2014	2013
	No.	No.
The average monthly number of persons during the year was:		
Research employees	6	6
Other employees	1	1
	7	7

7 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Professor L Durrant received salary of £14,167 (2013: £7,500); Dr RM Goodfellow received salary of £7,500 (2013: £7,500) and Mr PV Allen received a salary of £35,000 (2013 £2,917). Details of consulting services provided by these directors are disclosed in note 18. In addition a charge for share based payments totalling £46,049 (2013:£22,752) was made in the year.

8 LOSS OF PARENT COMPANY

As permitted by section 408 of the Companies Act 2006, the profit and loss and other comprehensive income of the parent company is not presented as part of these financial statements.

The parent company's loss and other comprehensive income for the financial year was £164,026 (2013: loss £180,178)

9 TANGIBLE FIXED ASSETS

current year	Computer Equipment £	Plant and machinery £	Total £
COST			
As at 1 May 2013	16,483	445,800	462,283
Additions	3,190	19,740	22,930
As at 30 April 2014	19,673	465,540	485,213
DEPRECIATION			
As at 1 May 2013	15,715	314,915	330,630
Charge for the year	1,306	37,656	38,962
As at 30 April 2014	17,021	352,571	369,592
NET BOOK VALUE			
At 30 April 2014	2,652	112,969	115,621
At 1 May 2013	770	130,885	131,655

prior year	Computer Equipment £	Plant and machinery £	Total £
COST			
As at 1 May 2012	16,483	376,407	392,890
Additions	-	69,393	69,393
As at 30 April 2013	16,483	445,800	462,283
DEPRECIATION			
As at 1 May 2012	15,336	271,286	286,622
Charge for the year	377	43,629	44,006
As at 30 April 2013	15,713	314,915	330,628
NET BOOK VALUE			
At 30 April 2013	770	130,885	131,655
At 1 May 2012	1,145	105,121	106,266

10 GOODWILL

	£
At 1st May 2012 and 2013	3,415,120
Additions	-
At 30th April 2013 and 2014	3,415,120

Goodwill is allocated to cash generating units ('CGU') and in the opinion of the directors the Group consists of a single CGU. The goodwill arose on the acquisition of the wholly owned subsidiary company, Scancell Limited. The directors have carried out an impairment review of the goodwill arising on the acquisition of Scancell Limited. The Group has no budgeted revenues for the foreseeable future and so the directors have compared the market capitalisation of Scancell Holdings plc, as quoted on AIM at the year end with the carrying value of goodwill and believe that no impairment is necessary.

11 FIXED ASSET INVESTMENTS

COMPANY - shares in group undertaking	£
Cost at 1 May 2012	5,048,991
Share options granted	22,752
Cost at 30 April 2013	5,071,743
Share options exercised	(33,605)
Share options granted	46,048
Cost at 30 April 2014	5,084,186

The company's investment at the balance sheet date represents 100% of the ordinary share capital of its subsidiary company, Scancell Limited whose business is the discovery and development of treatments for cancer. There are no significant restrictions within the group regarding access or use of assets or settling liabilities.

At 30th April 2014 the aggregate capital and reserves of Scancell Limited was £(4,951,183) (2013: £(2,938,304)) and its loss for the financial year was £2,058,928 (2013:Loss of £1,721,764)

12 TRADE AND OTHER RECEIVABLES

	2014 £	2013 £
VAT	67,948	67,368
Prepayments	78,566	49,796
	146,514	117,164

13 TRADE AND OTHER PAYABLES

	2014 £	2013 £
Trade payables	232,202	176,108
Taxation and social security	10,598	7,569
Other payables	294,791	131,437
	537,591	315,114

14 SHARE CAPITAL

	2014 No.	2013 No.
Allotted, issued and fully paid		
0.1p ordinary shares	224,950,683	194,469,485

	£	£
Allotted, issued and fully paid		
0.1p ordinary shares	224,951	194,470

On 1st August, 2013 the shareholders of the Company approved resolutions for; (i) the placing of 20,000,000 ordinary 0.1p shares at a price of 22.5p and (ii) an open offer to qualifying shareholders, who had not taken part in the placing, to subscribe for 8,888,888 ordinary 0.1p shares at a price of 22.5p.

On 21st November, 2013, Ichor exercised their options over 1,592,310 shares at 4.5p per share as regulatory approval had been granted for Scancell to commence clinical trials in the UK..

All shares rank pari passu with voting rights and entitlement to dividend.

15 MOVEMENT ON SHARE CAPITAL AND RESERVES

GROUP

	Share capital £	Share Premium Account £	Share Option Reserve £	Retained earnings £	Total Equity £
At 1st May 2012	194,470	9,904,733	487,162	(3,615,028)	6,971,337
(Loss) for the year	-	-	-	(1,901,944)	(1,901,944)
Share option costs	-	-	22,752		22,752
At 30th April 2013	194,470	9,904,733	509,914	(5,516,972)	5,092,145
At 1st May 2013	194,470	9,904,733	509,914	(5,516,972)	5,092,145
(Loss) for the year	-	-	-	(2,222,954)	(2,222,954)
Exercise of options	1,592	70,062	(33,605)	33,605	71,654
Share issue	28,889	6,061,481			6,090,370
Share option costs			46,049		46,049
At 30th April 2014	224,951	16,036,276	522,358	(7,706,321)	9,077,264

COMPANY

	Share capital £	Share Premium Account £	Share Option Reserve £	Retained earnings £	Total Equity £
At 1st May 2012	194,470	9,904,733	487,162	(741,865)	9,844,500
(Loss) for the year				(180,178)	(180,178)
Share option costs			22,752		22,752
At 30th April 2013	194,470	9,904,733	509,914	(922,043)	9,687,074
(Loss) for the year				(164,026)	(164,026)
Exercise of options	1,592	70,062	(33,605)		38,049
Share issue	28,889	6,061,481			6,090,370
Share option costs			46,049		46,049
At 30th April 2014	224,951	16,036,276	522,358	(1,086,069)	15,697,516

16 SHARE OPTIONS

The Group has granted options to members of staff

Share Scheme	Grant Date	Option Price	Number of shares	Period within which options are exercisable From	To
EMI	02.12.08	5.0p	290,000	02.12.11	02.12.18
	02.12.08	31.3p	120,000	02.12.11	02.12.18
	02.01.09	6.0p	145,000	02.01.12	01.01.19
	13.07.10	4.5p	6,730,000	02.12.11	31.12.15

The market price of the shares at 30th April 2014 was 30.00p and, the range during the year was 23.38 to 50.25 p. Options may normally be exercised in whole or in part within the period of three to ten years after the date of the grant.

Further unapproved options were issued as follows.

Share Scheme	Grant Date	Option Price	Number of shares	Period within which options are exercisable From	To
Unapproved	02.04.09	2.5p	58,640	02.04.12	02.04.19
	01.12.08	6.0p	3,040,000	02.12.11	02.12.18
	29.06.10	4.5p	3,184,620	30.09.11	30.09.16
	29.06.10	4.5p	3,184,630	28.02.13	28.02.18
	02.12.08	9.4p	29,320	02.04.12	02.04.19

At 30 April 2014 the following options are held by directors of the company:

	Options At 30.04.13	Additions in the year	Options at 30.04.14	Exercise price	Date first exercisable	Expiry date
EMI Scheme						
L Durrant	3,850,000		3,850,000	4.5p	02.12.11	31.12.15
R Goodfellow	2,880,000		2,880,000	4.5p	02.12.11	31.12.15
Unapproved						
L Durrant		3,500,000	3,500,000	33.2p	10.12.14	10.12.17
R Goodfelllow		3,500,000	3,500,000	33.2p	10.12.14	10.12.17
D Evans	3,040,000		3,040,000	6.0p	02.12.11	02.12.18

The weighted average exercise prices over the year were as follows

	Number	Weighted Average Exercise Price
Enterprise Management Scheme		
Revised number of options outstanding at 1 May 2013	7,285,000	5.0p
Granted in the year	-	
Number of options outstanding at 30 April 2014	7,285,000	5.0p
Exercisable at 30th April 2014	7.285,000	5.0p
Unapproved Scheme		
Revised number of options outstanding at 1 May 2013	11,089,520	4.9p
Granted in the year	7,000,000	33.2p
Exercised in the year	(1,592,310)	4.5p
Number of options outstanding at 30 April 2014	16,497,210	17.0p
Exercisable at 30th April 2014	9,497,210	5.0p

SHARE OPTIONS (continued)

Within the unapproved options are those granted to ICHOR Medical Systems Inc (“ICHOR”) pursuant to the License and Supply Agreement (‘the Agreement’) dated 13 July 2009. Under the terms of the Agreement, ICHOR agreed to supply its TriGrid™ electroporation device for Scancell’s pre-clinical and forthcoming clinical studies with SCIB1 and gave Scancell an option to license TriGrid™ for commercial use on achievement of certain milestones and payment of royalties. In return, ICHOR was granted options to subscribe for ordinary shares in the Company. The options have been granted at 4.5p per share and vest as follows.

1,592,310	exercised in year on regulatory approval being granted to start clinical trials in the UK
3,184,620	on commencement of first Phase II clinical trial
3,184,630	on completion of first Phase II clinical trial

Each tranche of the options may be exercised at any time in the five year period after the relevant vesting date.

17 SHARE BASED PAYMENTS

The Group operates a number of share based incentive schemes as detailed in note 16 above. The fair value of the award granted and the assumptions used in the calculations are as follows:

Date of Grant	Type of Award	Number of Awards	Exercise Price	Share price at grant date	Fair value per option
2 December 2008	EMI	290,000	5.0p	5.8p	3.3p
2 December 2008	EMI	120,000	31.3p	5.8p	0.2p
2 December 2008	Unapproved	3,040,000	6.0p	5.8p	3.3p
2 January 2009	EMI	145,000	6.0p	5.8p	3.3p
2 April 2009	Unapproved	58,640	2.5p	4.0p	2.7p
2 April 2009	Unapproved	29,320	9.4p	4.0p	1.5p
29 June 2010	Unapproved	6,369,250	4.5p	6.0p	2.2p
14 July 2010	EMI	6,730,000	4.5p	6.25	2.1p
10 December 2013	Unapproved	7,000,000	33.2p	36.0p	4.0p

The number of shares shown above has been adjusted for the sub-division of shares that occurred in July 2011.

A description of the key assumptions used in calculating the share-based payments follows.

1. The Black-Scholes valuation methodology was used.
2. The expected volatility is based upon historical volatility over a period of time and amounted to 10.2%
3. The expected life used in the model varies between two and five years and is based upon management’s best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.
4. The risk free rate is based upon the prevailing UK bank base rate at grant date.
5. Expected dividend yield is nil.

18 RELATED PARTY TRANSACTIONS

During the year, the following directors provided consultancy services to the Group as follows:

	Bonus	Consultancy Services	2014 Total	2013 Total
Professor L Durrant	£62,500	£110,000	£172,500	£82,500
Dr R.M Goodfellow	£62,500	£110,000	£172,500	£82,500
Mr DE Evans	-	£15,000	£15,000	£15,000
Ms K Cornish-Bowden	-	£15,000	£15,000	£15,000
Dr MGW Frohn	-	£8,750	£8,750	£6,000
Mr TM Rippon	-	-	-	£4,122
Mr NJ Evans	-	-	-	£9,000

At the end of the year the following balances were outstanding from the Group:

	2014	2013
Professor L Durrant	£22,018	£9,201
Dr R.M Goodfellow	£12,776	£7,500
Dr MGW Frohn	£1,250	£nil
Ms K. Cornish-Bowden	£2,500	£2,500
Mr DE Evans	£6,250	£7,500
Mr NJ Evans	£nil	£9,451

All of the above transactions were conducted under normal commercial terms.

Professor L Durrant, Mr NJ Evans and Dr R M Goodfellow provided their consultancy through limited companies.

In addition to the above Scancell Holdings plc has a current account with its subsidiary company, Scancell Limited. At the year end the balance owing to Scancell Holdings plc amounted to £10,225,625 (2013: £4,615,272). The amount owing has no fixed repayment term and is interest free.

19 RECONCILIATION OF PROFIT BEFORE TAX TO NET CASH GENERATED FROM OPERATIONS

	2014 £	2013 £
Loss before taxation	(2,468,034)	(2,153,952)
Adjustments for:		
Share option costs	46,049	22,752
Depreciation of computers, plant and equipment	38,962	44,006
Finance income	(29,186)	(30,037)
Operating cash flows before movement in working capital	(2,412,209)	(2,117,231)
(Increase)/decrease in accounts receivable	(29,350)	13,943
(Decrease)/Increase in accounts payable	222,477	30,731
Net cash outflow from operating activities	(2,219,082)	(2,072,557)
	========	========

20 FINANCIAL INSTRUMENTS

The Group holds or issues financial instruments in order to achieve two main objectives, being:
(a) to finance its operations; and
(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance.

In addition, various financial instruments (e.g. receivables, trade payables, accruals and prepayments) arise directly from the Group's and the Company's operations. Transactions in financial instruments result in the Group assuming or transferring to another party one or more of the financial risks described below.

The Group currently finances its operations through reserves of cash and liquid resources and does not have a borrowing requirement. Surplus cash at bank is placed on deposits at variable rates. The Board monitors the financial markets and the Group's own requirements to ensure that the policies are exercised in the Group's best interests.

Liquidity risk
Liquidity risk is the risk that the Group and Company will not be able to meet their financial obligations as they fall due. The Group and Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and Company's reputation..

Market risk
Market risk is the risk that changes in market prices, such as interest rates and exchange rates will affect the Group and Company's income or the value of the holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters whilst optimising the return.

The Group has no financial assets other than sterling current account balances of £5,566,234 (2013: 1,491,320) which are instantly available funds attracting variable rates of interest.

Historically the Group has not used derivative instruments to hedge against possible risks arising from fluctuations in foreign currency exchange rates as the exposure is limited. If foreign currency exposure increases, the use of foreign currency hedging instruments will be reviewed as a means of reducing the effect of exchange rate fluctuations on the Group's results.

Credit risk
Credit risk is the risk of financial loss to the Group and Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations and arises principally from a company's receivables from Customers. The Group and Company have no third party customers and so this risk is viewed as minimal.

Maturity of financial liabilities
All of the Group's financial liabilities as at 30 April 2014 are payable within less than one year.

Fair values
There is no material difference between the book value and the fair value of the Group's financial assets or liabilities.

The Group's financial instruments comprise cash and cash equivalents, borrowings and items such as trade payables which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

Financial instruments

Group

	2014	2013
	£	£
Financial assets		
Cash and cash equivalents	5,566,234	1,491,320
Trade and other receivables	517,880	369,164
Financial liabilities		
Trade and other payables	(537,591)	(315,114)

Company

	2014	2013
Financial assets		
Cash and cash equivalents	498,391	43,537
Trade and other receivables	37,701	50,218
Financial liabilities		
Trade and other payables	(148,387)	(93,696)

The carrying amounts are equal to the fair value therefore no impairment is required.

21 OPERATING LEASE COMMITMENTS

The following operating lease are committed to be paid.

	Land and buildings	
	2014	2013
	£	£
Within one year	11,000	11,000
Within one and five years	29,333	7,333

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 30 April 2014

	Share capital £	Share Premium Account £	Share Option Reserve £	Retained earnings £	Total Equity £
At 1st May 2012	194,470	9,904,733	487,162	(741,865)	9,844,500
(Loss) for the year				(180,178)	(180,178)
Share option costs			22,752		22,752
At 30th April 2013	194,470	9,904,733	509,914	(922,043)	9,687,074
(Loss) for the year				(164,026)	(164,026)
Exercise of options	1,592	70,062	(33,605)		38,049
Share issue	28,889	6,061,481			6,090,370
Share option costs			46,049		46,049
At 30th April 2014	224,951	16,036,276	522,358	(1,086,069)	15,697,516

Scancell Holdings plc

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 April 2014

	Notes	2014 £	2013 £
ASSETS			
Non-current assets			
Investments	11	5,084,186	5,071,743
		5,084,186	5,071,743
Current assets			
Trade and other receivables	A	10,263,326	4,665,490
Cash and cash equivalents	B	498,391	43,537
		10,761,717	4,709,027
TOTAL ASSETS		15,845,903	9,780,770
LIABILITIES			
Current Liabilities			
Trade and other payables	C	(148,387)	(93,696)
TOTAL LIABILITIES		(148,387)	(93,696)
NET ASSETS		15,697,516	9,687,074
SHAREHOLDERS' EQUITY			
Called up share capital	15	224,951	194,470
Share premium	16	16,036,276	9,904,733
Share option reserve	16	522,358	509,914
Profit and loss account	16	(1,086,069)	(922,043)
TOTAL SHAREHOLDERS' EQUITY		15,697,516	9,687,074

These financial statements were approved by the directors and authorised for issue on 3rd September, 2014 and are signed on their behalf by:

David Evans
Director

Scancell Holdings plc
COMPANY STATEMENT OF CASHFLOWS
for the year ended 30 April 2014

	2014 £	2013 £
Operating activities		
Cash generated from operations (note D)	(96,818)	29,598
Income taxes received	-	-
Net cash from operating activities	**(96,818)**	**29,598**
Financing activities		
Proceeds from issue of share capital	6,571,654	-
Expenses of share issue	(409,629)	-
Net cash generated from financing activities	**6,162,025**	**-**
Investing activities		
Increase in loan to subsidiary company	(5,610,353)	-
Net cash used by investing activities	**(5,610,353)**	**-**
Net increase in cash and cash equivalents	**454,854**	**29,598**
Cash and cash equivalents at beginning of the year	**43,537**	**13,939**
Cash and cash equivalents at end of the year	**498,391**	**43,537**

A TRADE AND OTHER RECEIVABLES

Company	2014 £	2013 £
VAT	18,728	29,025
Prepayments	18,973	21,193
	37,701	50,218
Amounts falling due after more than one year:		
Amounts owed by group undertakings	10,225,625	4,615,272
Aggregate amounts	10,263,326	4,665,490

The amounts owed by group undertakings are interest free with no set repayment term.

B CASH AND CASH EQUIVALENTS

Company		
Cash at bank and in hand	498,391	43,537

C TRADE AND OTHER PAYABLES

	2014 £	2013 £
Trade creditors	15,457	68,746
Other creditors	132,930	24,950
	148,387	93,696

D RECONCILIATION OF LOSS TO NET CASH GENERATED FROM OPERATIONS

	2014 £	2013 £
Loss for the year	(164,026)	(180,178)
Decrease/(Increase) in accounts receivable	12,517	166,427
Increase in accounts payable	54,691	43,349
Cash generated from operations	(96,818)	29,598